

## Message Text

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ORIGIN EB-07

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13  
FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03  
H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01  
AID-05 CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06  
PRS-01 SP-02 OMB-01 SIG-01 /132 R

DRAFTED BY EB/FTD:WRBREW:CSH  
APPROVED BY EB/FTD:WRBREW:  
COMMERCE:RSHEPHERD  
STR:MBSMITH  
LABOR:IKRAMER  
EUR/RPE:ECASEY

-----081213Z 113590 /13

R 080244Z JAN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY ACCRA  
AMEMBASSY ANKARA  
AMEMBASSY ASUNCION  
AMEMBASSY BELGRADE  
AMEMBASSY BERN  
AMEMBASSY BOGOTA  
AMEMBASSY BONN  
AMEMBASSY BRASILIA  
AMEMBASSY BRUSSELS  
AMEMBASSY BUCHAREST  
AMEMBASSY BUDAPEST  
AMEMBASSY BUENOS AIRES  
AMEMBASSY CAIRO  
AMEMBASSY CANBERRA  
AMEMBASSY COLOMBO  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
USMISSION EC BRUSSELS  
USMISSION GENEVA  
AMEMBASSY GUATEMALA  
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AMEMBASSY HELSINKI  
AMCONSUL HONG KONG  
AMEMBASSY ISLAMABAD  
AMEMBASSY KINGSTON  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LISBON  
AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG  
AMEMBASSY MANAGUA  
AMEMBASSY MADRID  
AMEMBASSY MANILA  
AMEMBASSY MEXICO  
AMEMBASSY MONTEVIDEO  
AMEMBASSY NEW DELHI  
AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY PORT AU PRINCE  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY SAN SALVADOR  
AMEMBASSY ROME  
AMEMBASSY SEOUL  
AMEMBASSY SINGAPORE  
AMEMBASSY STOCKHOLM  
AMEMBASSY THE HAGUE  
AMEMBASSY TEL AVIV  
AMEMBASSY TOKYO  
AMEMBASSY VIENNA  
AMEMBASSY WARSAW  
AMEMBASSY ATHENS  
USMISSION OECD PARIS  
AMEMBASSY REYKJAVIK  
AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: ETRD, GATT, AR, AS, AU, GE, BR, BE, CA, CO, DA, EI,

EG, ES, FI, GH, GT, NL, HA, HU, IN, IS, JM, KS, UK, LU, MY,  
MX, MU, NO, PK, PA, FR, RP, PL, PO, R, IT, SN, SP, CE, SZ,  
SW, TO, TK, TU, HK, UY, YO, EC, JA

SUBJECT: MFA RENEWAL

GENEVA FOR PHELAN

REF: (A) STATE 282047 (B) STATE 282842

1. THE GATT TEXTILES COMMITTEE (TC) MEETING OF NOVEMBER 30  
- DECEMBER 10, 1976 WAS UNABLE TO REACH A CONSENSUS THAT THE  
MULTIFIBER ARRANGEMENT (MFA) SHOULD BE RENEWED WITHOUT CHANGE  
AT THAT TIME. ALTHOUGH THERE WAS A NEAR CONSENSUS AMONG

THE EXPORTING COUNTRIES AND SOME IMPORTING COUNTRIES, INCLUDING THE U.S., IN FAVOR OF (OR AT LEAST NOT OBJECTING TO) RENEWAL THEN WITHOUT TEXTUAL CHANGE, THE EC, SUPPORTED BY CANADA AND TO A LESSER EXTENT AUSTRIA AND AUSTRALIA, OBJECTED TO ANY DECISION TO RENEW BEFORE DISCUSSION OF A NUMBER OF "THEMES" OR PROBLEMS FACED BY THE EC. THE TC WILL MEET AGAIN ABOUT THE END OF FEBRUARY 1977 TO CONTINUE DISCUSSION OF RENEWAL.

2. THE U.S. TEXTILE TRADE POLICY GROUP (TTPG) MET ON DECEMBER 16 AND REAFFIRMED THAT THE U.S. SHOULD SEEK PROMPT RENEWAL OF THE MFA WITHOUT CHANGE. (THE TTPG IS COMPOSED OF UNDERSECRETARIES OF STATE, COMMERCE, LABOR, AGRICULTURE, AND THE EXECUTIVE DIRECTOR OF THE CIEP, OR THEIR DESIGNATED ALTERNATES, CHAIRED BY THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.) WE REMAIN CONVINCED THAT ACTUAL TRADE PROBLEMS SUCH AS WERE ALLUDED TO DURING THE TC LIMITED OFFICIAL USE

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MEETING BY THE NORDICS, THE COMMUNITY AND EVEN EXPORTING COUNTRIES SUCH AS INDIA, CAN BE SOLVED WITHIN THE FRAMEWORK OF THE MFA AS PRESENTLY DRAFTED.

3. THE NEAR UNANIMITY AMONG EXPORTING COUNTRIES IN FAVOR OF (OR NOT OPPOSING) RENEWAL APPEARS TO BE BASED ON THEIR RECOGNITION THAT TO ALLOW THE MFA, WHICH ESTABLISHES STANDARDS FOR SETTING RESTRAINTS IN TEXTILE TRADE, TO LAPSE WOULD UNDOUBTEDLY PLACE THEM IN A WORSE POSITION THAN THAT IN WHICH THEY NOW FIND THEMSELVES. IT SEEMS LIKELY THAT THIS NEAR UNANIMITY WILL REMAIN IN EXISTENCE FOR A REASONABLE PERIOD, ABSENT THE INTRODUCTION OF NEW, UNSETTLING FACTORS. ON THE OTHER HAND, THE ATTITUDE OF SOME IMPORTING COUNTRIES COULD CHANGE TO ONE OF SEEKING GREATER PROTECTION UNDER A CHANGED MULTILATERAL ARRANGEMENT AS A RESULT OF PRESSURES EXERTED BY THEIR DOMESTIC TEXTILE AND APPAREL INDUSTRIES. PRESSURES AND SHIFTS OF THIS NATURE WERE IN EVIDENCE DURING THE TC MEETING, PARTICULARLY DURING RESTRICTED NEGOTIATIONS IMMEDIATELY FOLLOWING DISCUSSIONS IN THE FULL TC.

4. THE POSITION OF THE EC DURING THE NEXT FEW WEEKS WILL BE CRITICAL. IF THE COMMISSION BECOMES CONVINCED THAT THE EXPORTING COUNTRIES ARE DETERMINED FIRMLY TO OPPOSE ANY CHANGE IN THE MFA WHICH WOULD MAKE IT MORE RESTRICTIVE, THEN THERE REMAINS A REASONABLE CHANCE FOR RENEWAL DURING THE FIRST MONTHS OF 1977. IF HOWEVER, THE EXPORTING COUNTRIES WEAKEN IN THEIR RESOLVE TO STAND FIRM AGAINST FURTHER CHANGES, AS MIGHT BE PROPOSED BY THE EC, THEN THEY CAN ONLY ANTICIPATE FURTHER ACrimonious DEBATE AND RISK OF SERIOUS DAMAGE TO THE BENEFITS AND POSITION THEY

NOW HAVE WITH THE PRESENT MFA.

5. ADDRESSEES MAY USE ABOVE INFORMATION IN DEALINGS WITH  
HOST GOVERNMENTS. DETAILED REPORT ON DISCUSSIONS DURING  
TC MEETING IS BEING PREPARED AND WILL BE SENT TO  
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ADDRESSEES.  
KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, AGREEMENTS, COMMITTEE MEETINGS, AMENDMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 08-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE004395  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** WRBREW:CSH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770008-0300  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1977/newtext/t19770169/aaaachvy.tel  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** fc03b7db-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 282047, 77 STATE 282842  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3637370  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MFA RENEWAL GENEVA FOR PHELAN  
**TAGS:** ETRD, AR, AS, AU, GC, BR, BE, CA, CO, DA, EI, GATT  
**To:** ACCRA ANKARA MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/fc03b7db-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009